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FOR THE SECRETARY FROM THE AMBASSADOR DEPT ALSO FOR EUR, NEA, AF, AND OES

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SUBJECT: YOUR JUNE 24-25 VISIT TO PARIS

Classified By: Ambassador Craig Stapleton for reasons 1.4 (B & D).

- (C) Madam Secretary: You will be arriving in a France whose mood is up-beat for the first time in years. Sarkozy's energy and determination to meet challenges head-on and break with the past have lifted national morale. His resounding presidential victory May 6 -- notwithstanding the French electorate's decision in the June 17 legislative elections to bolster the Socialist opposition -- has given Sarkozy a broad-based mandate to undertake long overdue economic and social reforms. Sarkozy hopes that his upcoming whirlwind of reform -- on a range of areas from taxes and labor markets to university admissions -- will trigger a "shock of confidence" that will lead to increased national productivity and competitiveness. Sarkozy's larger goals are to adapt France to globalization and to renew the country's confidence in itself as an international actor. To achieve them, he is seeking renewed economic growth to reduce France's chronically high unemployment rate (especially for youth) and to win maneuvering room to address the economic and social rigidities that have caused France to languish for a generation. Although it is difficult to predict at this stage how much popular resistance he will encounter, Sarkozy is off to a fast start. That same dynamism is also infusing France's international engagement, magnified still further by Foreign Minister Kouchner's iconoclastic, trademark activism.
- $\underline{\mathbb{1}}$ 2. (C) We have gotten off to a good start with the new Sarkozy administration. From the President on down, France's new leaders are pledging a relationship of mutual confidence and continuing close coordination on most of the issues that matter: Lebanon/Syria, Iran, Afghanistan, Kosovo, Russia, Darfur, and counter-terrorism. For our part, Secretary Gates and U/S Burns have sent a loud and clear message about France's importance to the U.S., and our proposal for a ship visit by the nuclear carrier Enterprise has been welcomed by Defense Minister Morin. Tone will not always translate into substance: Sarkozy has continued to make the point that friendship does not mean automatic alignment with the U.S. France will continue to develop its own positions based on its own analyses of situations and its understanding of French interests. We nonetheless believe that the French will be less inclined than in the recent past to take a position at variance with ours simply in order to assert France's difference. (In that regard, they have already promised a less theological approach to NATO.) We are also finding it easier to engage practically with the new

government, ranging from easier access to franker exchanges.

- 13. (C) All that said, France's early initiatives -- on Lebanon, Syria, Kosovo, and Darfur -- were launched with insufficient coordination. Sarkozy's and Kouchner's activism and the strength of their convictions also make them partners that are not always easy to manage even when they do coordinate with us. Sarkozy has effectively built up critical support for a June 21-22 EU Council decision on a simplified treaty on EU institutional reforms, putting France back at the center of EU decision-making, shifting the burden for any failure to others, and potentially enabling the EU to speak with a louder voice on the international stage. But his adamant opposition to Turkish EU accession, and his push for a Mediterranean Union including Turkey as a (poor) substitute, threaten to antagonize a strategic Ally. Initial indications were that Sarkozy would allow accession negotiations to proceed so long as three EU chapters not related directly to accession were left unopened. There are signs now, however, that Sarkozy may veto opening a chapter related to monetary union. The spillover from EU-Turkish tensions continues to bedevil NATO-EU cooperation and has prompted the Turks to withdraw blanket overflight clearance for French ISAF flights.
- 14. (C) Sarkozy is pushing an impressive domestic economic reform agenda, but he is no free-trader. He lacks the ties to France's agricultural sector of his predecessor, but his rhetoric in defense of French agricultural interests has been as strong as that of President Chirac. As Finance Minister, Sarkozy energetically defended the government's bailout of French industrial giant Alstom before EU competition authorities. Sarkozy has generally indicated that he sees a role for the state in promoting national -- or European --

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corporate "champions."

- 15. (C) FM Kouchner has taken advantage of your visit to schedule a Darfur ministerial on his signature issue of the moment. We have an interest in using your bilateral meetings with Kouchner and President Sarkozy to follow up on U/S Burns' June 12-13 meetings by taking Sarkozy up on his word "to help us get out of Iraq"; reviewing the evolving situation in Lebanon and Kouchner's proposal for a national dialogue under his personal aegis; planning next steps on Iran; charting our strategy on Kosovo; and discussing Russia management. We would expect the French side to raise the Palestinian crisis and climate change. Your discussions with Defense Minister Morin can build on Secretary Gates' June 6 meeting to reaffirm that France will stay the course in Afghanistan and to discuss the need for good NATO-EU coordination in any Kosovo settlement follow-up.
- 16. (C) Iraq: It is not too early to engage President Sarkozy's government on providing more help to Iraq, suggesting four specific contributions:
  -- First, France should commit to maintain its ambassador/embassy in Iraq for at least the next year. This battle was in fact already fought and won in the French bureaucracy earlier this year, but we should get a commitment against the day when there may be a clamor to reduce France's diplomatic presence.
- -- Second, France should issue a statement in support of national reconciliation in Iraq within the context of Iraq's constitutional, elected government. The French recognize the need for reconciliation in principle, but need to replace calls for international conferences that might or might not supplant Iraq's elected government and its constitution with helpful statements that support Iraqi sovereignty.
  -- Third, France should reinforce our message by telling Iran to match its actions in Iraq to its declared policy. This
- to match its actions in Iraq to its declared policy. This would be consistent with France's advocacy of dialogue with Iran for the purpose of encouraging it to behave more responsibly in the region.
- -- Fourth, France should make an additional, concrete

contribution to assist Iraqi refugees in Jordan. France has already donated one million euros, but more humanitarian assistance will help the Jordanians as well as the Iraqis.

- 17. (C) Lebanon/Syria: France is sending two contradictory signals to the Lebanese: On the one hand, they say that French policy has not changed; on the other hand, they alter that message by saying Sarkozy will not be so tightly allied with the Hariris. The Lebanese and Syrians are ignoring the first message and focusing on the second. Sarkozy's offer to begin a dialogue with Syria, Michel Aoun's visit to Paris (where he met twice with FM Kouchner), and FM Kouchner's proposed Lebanese dialogue (with the inclusion of Hizballah) have all contributed to the perception that France is drifting away from March 14. The good news is that our concerns have registered with the French, who have been at pains recently to assure us of their desire for continued cooperation, and that FM Kouchner personally canceled Ambassador Cousseran's scheduled visit to Damascus on June 16 after the assassination of Walid Eido and invited Lebanese PM Siniora to visit Paris before the end of the month. But Kouchner currently intends to go ahead with the Paris conference. We need to impress on them that their hasty outreach to the Lebanese opposition is demoralizing March 14 and that the murder of Walid Eido is Bashar's way of testing Sarkozy. If the French blink, Bashar wins.
- 18. (C) Iran: The French are ready to press for an ambitious third UNSC sanctions resolution, and we should seek their help in building international support for it. They also understand the importance of non-UN sanctions, and will cite the cuts they've already made in export credits, as well as the reduction in French banking ties to Iran. We should encourage them to do more, while respecting their view that we should be discreet about such measures so as not to undermine ourselves in the Security Council. They may express concern about whether Congress will impose sanctions on European firms doing business with Iran; such sanctions, they believe, would be disastrous to the unity we have carefully built.
- $\P9$ . (C) Afghanistan: France has assured us that it will PARIS 00002643 003 OF 004

maintain its military commitment in Afghanistan. It warns us that European support for military engagement is fragile, and posits a need to begin to frame an eventual exit strategy since "neither side can win." As a gesture of solidarity, France now plans to increase the number of French "Operational and Mentoring and Liaison Teams," or OMLTs, from one to four. Although he has not rejected outright leading a PRT, Sarkozy prefers a sector-based assistance approach to a geographic contribution. But he is nonetheless studying the option, and you can offer further encouragement. More importantly, your visit provides an opportunity to confront French and European wobbliness over remaining in Afghanistan until the job is done.

- 110. (C) Kosovo: Your meeting with Sarkozy is an opportunity to obtain his firm commitment to our current Kosovo strategy, including the GOF's recognition of an independent Kosovo in the event we cannot secure an acceptable UNSCR in the face of Russian opposition. Sarkozy believes that everything is negotiable so long as Kosovo achieves independence in the end. FM Kouchner believes it is also important that the West be seen to be making every conceivable attempt to get the Russians to abstain on a UNSC Resolution providing the legal basis for recognizing Kosovo's independence and for a NATO/EU military presence there. If additional negotiations fail to produce an agreement with the Russians, France would prefer not to push the draft resolution to a vote, and would be prepared to join us in recognizing Kosovo's independence at the appropriate time.
- 111. (C) Russia: We expect Russia policy under Sarkozy to be more coordinated with the EU, with less consideration for

Chirac's France/Germany/Russia axis. The French have no illusions about Russia -- on Kosovo, MD, Iran, or even CFE, not to mention human rights and democracy -- and its wedge tactics. The GOF advocates finding a middle road between "complacency and confrontation." They will want to reward the Russians if they cooperate on Kosovo, and avoid irking them further if they do not (for instance when it comes to NATO/Georgia). They may argue for increased flexibility on CFE given our firm position on MD, and their sensitivity to Russia's fear of encirclement. Despite the increased prominence Sarkozy has given to human rights, he is still seeking a positive relationship with Putin, albeit with only limited success. Despite these nuances, he will be open to your arguments about the need to deal with the Russians with firmness as necessary.

- (C) Darfur Conference: Darfur has taken on remarkable prominence in French public opinion, and Kouchner wants a deliverable as a demonstration of French leadership. Ministerial will bring together the P-5 and other G-8 countries, the UN, and China, in addition to lead (primarily European) donor partners. African participation may be limited to Egypt and the Bank of African Development; African Union Chairperson Konare has endorsed the event but does not plan on AU participation, because of its non-African venue. The Ministerial will highlight the need for a coherent political process on Darfur, address the humanitarian and security dimensions of the crisis, and emphasize its regional character -- the spillover into eastern Chad and the Central African Republic. On June 17 the French military began a food airlift to Darfur refugees and Chadian IDPs within Eastern Chad. This may grow into a short-term French and European military protection effort that would later transition to UN leadership.
- 13. (C) Climate Change: Sarkozy signaled during his election victory speech that climate change was his top priority, and he called on the U.S. "to take the lead" in the fight against global warming. The President's proposal for nationally determined emission reduction targets that would involve China and India among others and approach to the issue at the G8 Summit is gradually forcing France and others to take a more realistic approach. Sarkozy may nonetheless continue to advocate binding constraints on greenhouse gas emissions as a necessary ingredient of a post-2012 Kyoto follow-on agreement in order to defend Europe's CO2 emissions trading system (ETS). You can impress on Sarkozy the U.S.'s interest in intensifying collaboration with France in developing climate-friendly energy technologies and in sharing approaches to energy efficiency.

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114. (C) Palestinian Crisis: Your French hosts will want to learn more about the U.S. approach to dealing with the current Palestinian crisis, and will want to exchange views on how to stabilize the situation in the Palestinian Territories. They will be looking for ways to reinforce Abbas, but may be reticent about publicly endorsing his emergency cabinet or adopting tough measures against Hamas.

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